



City of Seattle

Office of City Auditor

Susan Cohen, City Auditor

Date: December 21, 2004

To: Ken Nakatsu, Department of Executive Administration
Assistant Chief Jim Pugel, Seattle Police Department

From: Robin Howe, Office of City Auditor

Subject: FOLLOW-UP STATUS REPORT – Impound Services Review

Attached to this memo is a Follow-Up Status Report for the recent Impound Services audit. The Status Report indicates whether the audit issue has been resolved or is still open, what actions have either been taken or are being pursued, and who is responsible for resolution of the issue. It should be noted that this information is based on management representations not additional audit work.

We are pleased with the progress made to address the audit findings from this report and believe these actions will help to strengthen the City's internal controls. Some of the actions taken are noted below:

- Tow company invoices are now consistently carefully reviewed for accuracy. This ensures the City will not be over-charged.
- Administrative fee revenues were reviewed during 2004, and they will be reviewed and reconciled on a quarterly basis in 2005, as soon as the new contract takes effect. This ensures the City will receive the proper amount of fees due.
- The terms and conditions for the towing contract have been revised and improved where they needed to be. The new contract is expected to take effect in April, 2005.

If you have any questions, or need additional information, please contact me at 615.1131.

Attachment

CC: Valarie Anderson, SPD Finance
Councilmembers
Norma Bush, RCA
Susan Cohen, Office of City Auditor
Patti DeFazio, SPD Information Technology
John Franklin, Mayor's Office
Ann Kelson, DEA Purchasing
Nancy Locke, DEA Purchasing
Mel McDonald, RCA
Aimee Strasko, Budget Office

12/21/2004

OFFICE OF CITY AUDITOR FOLLOW-UP STATUS REPORT Impound Services

STATUS	DUE DATE	NEW TARGET	PAGE#	ITEM	REGARDING	PERSON RESPONSIBLE
Completed			5	1, sf 1	The City was not properly reviewing tow company invoices. Resulted in overcharges & overpayments.	McDonald
COMMENTS RCA is now properly reviewing invoices. RCA requested repayment of overcharges from GT Towing or proper backup for charges. GT is disputing, and Law is now handling this. SPD made improvements to impound authorization forms.						
Pending	12/31/2004	4/1/2005	7	1, sf 2	Administrative fee revenues were not verified for accuracy. Resulted in underpayments.	McDonald, Bush
COMMENTS Lincoln repaid \$29K owed to City. RCA reviewed admin fees submitted in past and these appeared reasonable. New contract includes statistical reporting requirements, which will allow for quarterly reconciliation of fees. Target date: 4/1/05.						
Pending			8	2, sf 1	Policies related to abandoned/junk vehicles may have had negative consequences.	City Council, McDonald
COMMENTS RCA is working on an MOA with SPU & SPD regarding trash-filled vehicles. As of 12/04, this was expected to be finalized soon. Further changes to the current situation would require action on the City Council's part.						
COMMENTS Change to the current situation would require action on the City Council's part. Currently, it's unknown whether they plan to address this issue.						

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OFFICE OF CITY AUDITOR FOLLOW-UP STATUS REPORT Impound Services

STATUS	DUE DATE	NEW TARGET	PAGE#	ITEM	REGARDING	PERSON RESPONSIBLE
Pending	10/1/2004	4/1/2005	11	3, sf 1	Some contract terms are not consistent with City impound practices/policies.	Locke, Kelson, McDonald, Bush, Pugel
COMMENTS <i>The contract terms/conditions were revised. New contract was bid in 9/04, then re-bid in 11/04. New contract is expected to be in place by 4/1/04. The SPD did obtain additional vehicle storage space.</i>						
Completed	6/30/2004		13	3, sf 2	City & tow company impound practices are not in compliance with some contract terms/conditions.	Anderson, McDonald
COMMENTS <i>DEA delivered new signs to all 3 vendors and informed GT Towing of responsibility to accept credit cards. The SPD conducted training on vehicle reports for all police officers and detectives in May '04.</i>						
Pending	10/1/2004	4/1/2005	14	3, sf 3	The contract is one-year overdue to be rebid.	Locke, Kelson, McDonald, Bush
COMMENTS <i>The contract terms/conditions were revised. The new contract was bid in 9/04, then re-bid in 11/04. New contract expected to be in place by 4/1/04.</i>						
Pending		1/31/2005	16	4	Support for and maintenance of the TOWS system could be improved.	DeFazio
COMMENTS <i>Responsibility for the TOWS system has now been moved to SPD IT. Decisions concerning any system enhancement projects are pending the SPD's annual systems prioritization process, which should be complete by 1/31/05.</i>						